

UNITED STATES BANKRUPTCY COURT
IN THE DISTRICT OF DELAWARE

In Re. Franchise Group, Inc., et al.

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§Case No. 24-12480Debtor(s)Lead Case No. 24-12480☒ Jointly Administered**Monthly Operating Report**

Chapter 11

Reporting Period Ended: 04/30/2025Petition Date: 11/03/2024Months Pending: 6Industry Classification:

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Reporting Method:

Accrual Basis ☒Cash Basis ☐

Debtor's Full-Time Employees (current):

5,071

Debtor's Full-Time Employees (as of date of order for relief):

6,984**Supporting Documentation** (check all that are attached):

(For jointly administered debtors, any required schedules must be provided on a non-consolidated basis for each debtor)

- ☒ Statement of cash receipts and disbursements
- ☒ Balance sheet containing the summary and detail of the assets, liabilities and equity (net worth) or deficit
- ☒ Statement of operations (profit or loss statement)
- ☐ Accounts receivable aging
- ☐ Postpetition liabilities aging
- ☐ Statement of capital assets
- ☒ Schedule of payments to professionals
- ☐ Schedule of payments to insiders
- ☐ All bank statements and bank reconciliations for the reporting period
- ☐ Description of the assets sold or transferred and the terms of the sale or transfer

Allison S. Mielke

Signature of Responsible Party

05/21/2025

Date

Allison S. Mielke

Printed Name of Responsible Party

1000 North King Street, Wilmington, DE 19801

Address

STATEMENT: This Periodic Report is associated with an open bankruptcy case; therefore, Paperwork Reduction Act exemption 5 C.F.R. § 1320.4(a)(2) applies.

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Part 1: Cash Receipts and Disbursements	Current Month	Cumulative
a. Cash balance beginning of month	\$232,530,935	
b. Total receipts (net of transfers between accounts)	\$207,475,695	\$1,544,806,166
c. Total disbursements (net of transfers between accounts)	\$227,420,628	\$1,412,059,484
d. Cash balance end of month (a+b-c)	\$212,586,002	
e. Disbursements made by third party for the benefit of the estate	\$0	\$0
f. Total disbursements for quarterly fee calculation (c+e)	\$227,420,628	\$1,412,059,484

Part 2: Asset and Liability Status (Not generally applicable to Individual Debtors. See Instructions.)	Current Month
a. Accounts receivable (total net of allowance)	\$43,339,106
b. Accounts receivable over 90 days outstanding (net of allowance)	\$2,956,367
c. Inventory (Book <input checked="" type="radio"/> Market <input type="radio"/> Other <input type="radio"/> (attach explanation))	\$341,178,725
d. Total current assets	\$711,770,346
e. Total assets	\$2,172,476,941
f. Postpetition payables (excluding taxes)	\$842,512,562
g. Postpetition payables past due (excluding taxes)	\$0
h. Postpetition taxes payable	\$6,972,105
i. Postpetition taxes past due	\$0
j. Total postpetition debt (f+h)	\$849,484,666
k. Prepetition secured debt	\$2,093,208,389
l. Prepetition priority debt	\$4,827,015
m. Prepetition unsecured debt	\$322,170,962
n. Total liabilities (debt) (j+k+l+m)	\$3,269,691,032
o. Ending equity/net worth (e-n)	\$-1,097,214,091

Part 3: Assets Sold or Transferred	Current Month	Cumulative
a. Total cash sales price for assets sold/transferred outside the ordinary course of business	\$0	\$5,413,637
b. Total payments to third parties incident to assets being sold/transferred outside the ordinary course of business	\$0	\$0
c. Net cash proceeds from assets sold/transferred outside the ordinary course of business (a-b)	\$0	\$5,413,637

Part 4: Income Statement (Statement of Operations) (Not generally applicable to Individual Debtors. See Instructions.)	Current Month	Cumulative
a. Gross income/sales (net of returns and allowances)	\$194,746,231	
b. Cost of goods sold (inclusive of depreciation, if applicable)	\$126,653,330	
c. Gross profit (a-b)	\$68,092,900	
d. Selling expenses	\$8,337,269	
e. General and administrative expenses	\$45,610,614	
f. Other expenses	\$517,850	
g. Depreciation and/or amortization (not included in 4b)	\$5,665,440	
h. Interest	\$11,790,339	
i. Taxes (local, state, and federal)	\$0	
j. Reorganization items	\$16,980,425	
k. Profit (loss)	\$-20,809,037	\$-674,715,764

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Part 5: Professional Fees and Expenses

a.			Approved Current Month	Approved Cumulative	Paid Current Month	Paid Cumulative
	Debtor's professional fees & expenses (bankruptcy) <i>Aggregate Total</i>		\$5,514,791	\$14,888,375	\$5,514,791	\$14,888,375
	<i>Itemized Breakdown by Firm</i>					
	Firm Name	Role				
i	Kroll Restructuring Administration	Other	\$203,800	\$2,504,956	\$203,800	\$2,504,956
ii	Alix Partners LLP	Other	\$0	\$5,468,550	\$0	\$5,468,550
iii	Young Conaway Stargatt & Taylor	Co-Counsel	\$736,715	\$1,556,155	\$736,715	\$1,556,155
iv	Akin Gump Strauss Hauer & Feld	Other	\$2,266,955	\$2,934,395	\$2,266,955	\$2,934,395
v	Ernst & Young LLP	Other	\$302,776	\$386,800	\$302,776	\$386,800
vi	Ashby & Geddes P.A.	Other	\$0	\$32,974	\$0	\$32,974
vii	Petrillo Klein + Boxer	Other	\$2,004,545	\$2,004,545	\$2,004,545	\$2,004,545
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b.			Approved Current Month	Approved Cumulative	Paid Current Month	Paid Cumulative
	Debtor's professional fees & expenses (nonbankruptcy) <i>Aggregate Total</i>		\$383,155	\$868,257	\$364,425	\$906,921
	<i>Itemized Breakdown by Firm</i>					
	Firm Name	Role				
i	Baker Tilly	Financial Professional	\$0	\$0	\$-2,750	\$0
ii	Ballard Spahr	Special Counsel	\$0	\$0	\$0	\$2,137
iii	Carle Mackie Powers and Ross	Special Counsel	\$0	\$0	\$0	\$3,465
iv	Clarus Partners	Special Counsel	\$57,954	\$204,000	\$57,954	\$204,000
v	Clearbridge Compensation Group	Financial Professional	\$106,425	\$131,425	\$106,425	\$131,425
vi	Cole Schotz P.C.	Special Counsel	\$30,769	\$129,124	\$30,769	\$129,124
vii	DLA Piper LLP (US)	Special Counsel	\$0	\$0	\$0	\$11,785
viii	Dunn & Allsman, LLC	Special Counsel	\$7,567	\$35,600	\$7,567	\$35,600
ix	EXL Service (Ireland) Limited	Financial Professional	\$0	\$19,745	\$0	\$19,745
x	Gordon Brothers Asset Advisor	Financial Professional	\$113,983	\$113,983	\$113,983	\$113,983
xi	Gordon Rees Scully Mansukhan	Special Counsel	\$0	\$0	\$0	\$6,277
xii	Grant Thornton LLP	Financial Professional	\$0	\$0	\$-10,400	\$0
xiii	Honigman LLP	Special Counsel	\$0	\$17,753	\$0	\$17,753
xiv	Hunton Andrews Kurth LLP	Special Counsel	\$22,882	\$96,288	\$22,882	\$96,288

xv	Jackson Lewis P.C.	Special Counsel	\$1,742	\$6,358	\$1,742	\$6,358
xvi	Littler Mendelson P.C.	Special Counsel	\$14,951	\$17,284	\$14,951	\$17,284
xvii	REA & Associates, Inc.	Special Counsel	\$0	\$0	\$0	\$15,000
xviii	Reed Smith LLP	Special Counsel	\$7,342	\$77,157	\$7,342	\$77,157
xix	Ruda Hirschfeld Papera & Hoff	Special Counsel	\$0	\$0	\$-5,580	\$0
xx	Smalling and Buyrn, PA D/B/A	Special Counsel	\$7,800	\$7,800	\$7,800	\$7,800
xxi	Stout Risius Ross, LLC	Financial Professional	\$8,400	\$8,400	\$8,400	\$8,400
xxii	Troutman Pepper Hamilton San	Special Counsel	\$3,341	\$3,341	\$3,341	\$3,341
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c.	All professional fees and expenses (debtor & committees)			\$8,044,043	\$21,615,906	\$8,025,313	\$21,654,570

Part 6: Postpetition Taxes**Current Month****Cumulative**

a.	Postpetition income taxes accrued (local, state, and federal)	\$0	\$0
b.	Postpetition income taxes paid (local, state, and federal)	\$0	\$0
c.	Postpetition employer payroll taxes accrued	\$-88,806	\$1,065,032
d.	Postpetition employer payroll taxes paid	\$2,094,193	\$19,175,121
e.	Postpetition property taxes paid	\$6,347	\$449,681
f.	Postpetition other taxes accrued (local, state, and federal)	\$-1,607,366	\$5,907,073
g.	Postpetition other taxes paid (local, state, and federal)	\$9,164,153	\$58,283,231

Part 7: Questionnaire - During this reporting period:

- a. Were any payments made on prepetition debt? (if yes, see Instructions) Yes ☒ No ☐
- b. Were any payments made outside the ordinary course of business without court approval? (if yes, see Instructions) Yes ☐ No ☒
- c. Were any payments made to or on behalf of insiders? Yes ☒ No ☐
- d. Are you current on postpetition tax return filings? Yes ☒ No ☐
- e. Are you current on postpetition estimated tax payments? Yes ☒ No ☐
- f. Were all trust fund taxes remitted on a current basis? Yes ☒ No ☐
- g. Was there any postpetition borrowing, other than trade credit? (if yes, see Instructions) Yes ☐ No ☒
- h. Were all payments made to or on behalf of professionals approved by the court? Yes ☒ No ☐ N/A ☐
- i. Do you have:
- Worker's compensation insurance? Yes ☒ No ☐
 - If yes, are your premiums current? Yes ☒ No ☐ N/A ☐ (if no, see Instructions)
 - Casualty/property insurance? Yes ☒ No ☐
 - If yes, are your premiums current? Yes ☒ No ☐ N/A ☐ (if no, see Instructions)
 - General liability insurance? Yes ☒ No ☐
 - If yes, are your premiums current? Yes ☒ No ☐ N/A ☐ (if no, see Instructions)
- j. Has a plan of reorganization been filed with the court? Yes ☒ No ☐
- k. Has a disclosure statement been filed with the court? Yes ☒ No ☐
- l. Are you current with quarterly U.S. Trustee fees as set forth under 28 U.S.C. § 1930? Yes ☒ No ☐

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Part 8: Individual Chapter 11 Debtors (Only)

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|----|---|-------|-----|
| a. | Gross income (receipts) from salary and wages | _____ | \$0 |
| b. | Gross income (receipts) from self-employment | _____ | \$0 |
| c. | Gross income from all other sources | _____ | \$0 |
| d. | Total income in the reporting period (a+b+c) | _____ | \$0 |
| e. | Payroll deductions | _____ | \$0 |
| f. | Self-employment related expenses | _____ | \$0 |
| g. | Living expenses | _____ | \$0 |
| h. | All other expenses | _____ | \$0 |
| i. | Total expenses in the reporting period (e+f+g+h) | _____ | \$0 |
| j. | Difference between total income and total expenses (d-i) | _____ | \$0 |
| k. | List the total amount of all postpetition debts that are past due | _____ | \$0 |
- l. Are you required to pay any Domestic Support Obligations as defined by 11 U.S.C § 101(14A)? Yes ☐ No ☒
- m. If yes, have you made all Domestic Support Obligation payments? Yes ☐ No ☐ N/A ☒

Privacy Act Statement

28 U.S.C. § 589b authorizes the collection of this information, and provision of this information is mandatory under 11 U.S.C. §§ 704, 1106, and 1107. The United States Trustee will use this information to calculate statutory fee assessments under 28 U.S.C. § 1930(a)(6). The United States Trustee will also use this information to evaluate a chapter 11 debtor's progress through the bankruptcy system, including the likelihood of a plan of reorganization being confirmed and whether the case is being prosecuted in good faith. This information may be disclosed to a bankruptcy trustee or examiner when the information is needed to perform the trustee's or examiner's duties or to the appropriate federal, state, local, regulatory, tribal, or foreign law enforcement agency when the information indicates a violation or potential violation of law. Other disclosures may be made for routine purposes. For a discussion of the types of routine disclosures that may be made, you may consult the Executive Office for United States Trustee's systems of records notice, UST-001, "Bankruptcy Case Files and Associated Records." See 71 Fed. Reg. 59,818 et seq. (Oct. 11, 2006). A copy of the notice may be obtained at the following link: http://www.justice.gov/ust/eo/rules_regulations/index.htm. Failure to provide this information could result in the dismissal or conversion of your bankruptcy case or other action by the United States Trustee. 11 U.S.C. § 1112(b)(4)(F).

I declare under penalty of perjury that the foregoing Monthly Operating Report and its supporting documentation are true and correct and that I have been authorized to sign this report on behalf of the estate.

Eric Seeton

Signature of Responsible Party

Chief Financial Officer

Title

Eric Seeton

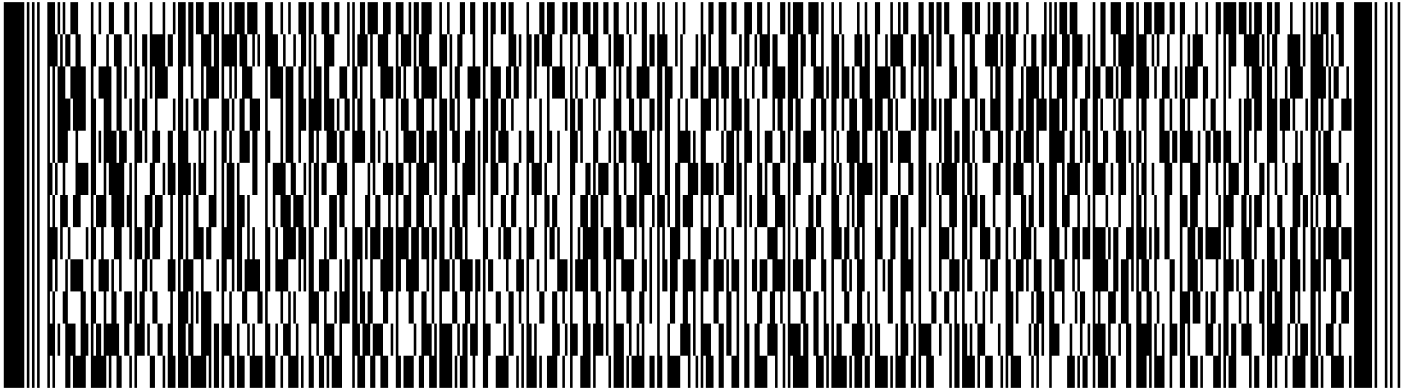
Printed Name of Responsible Party

05/21/2025

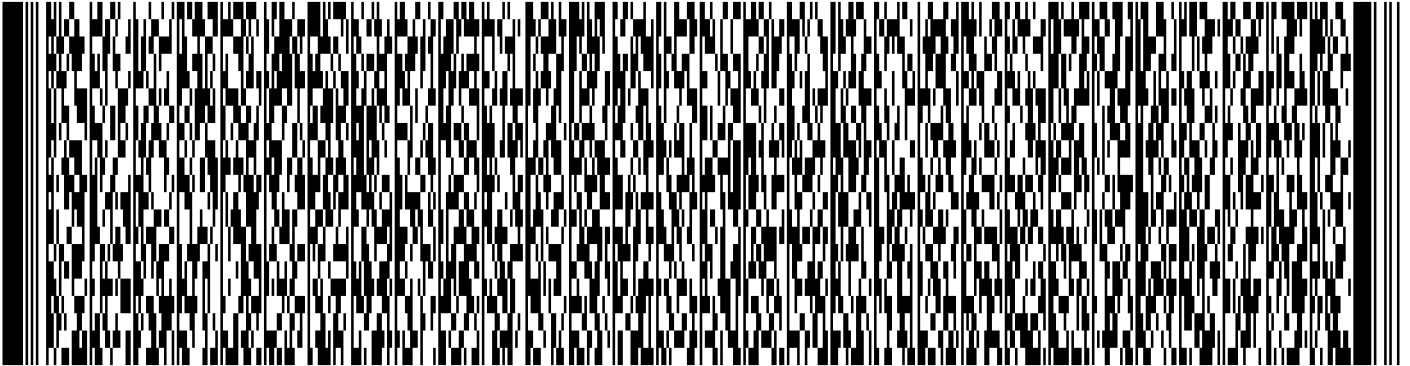
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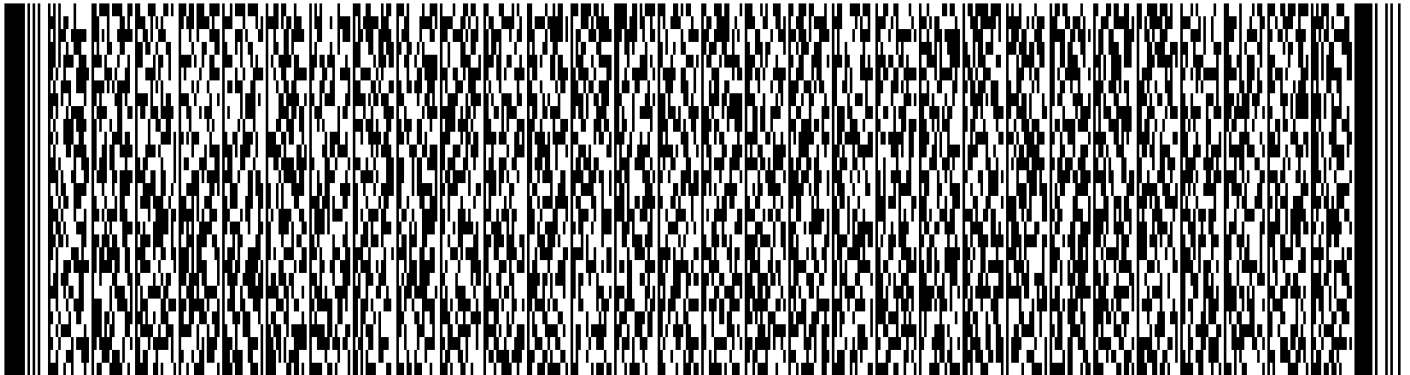
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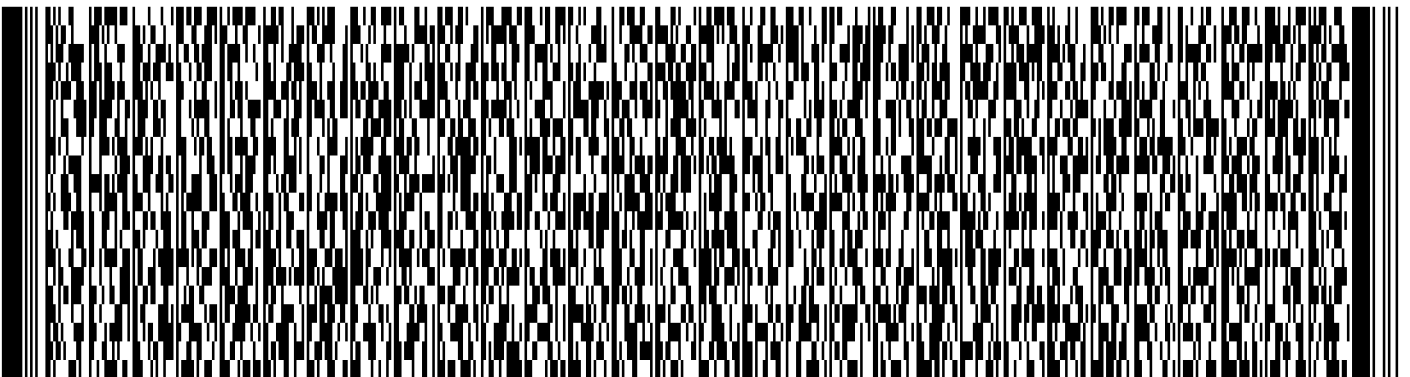
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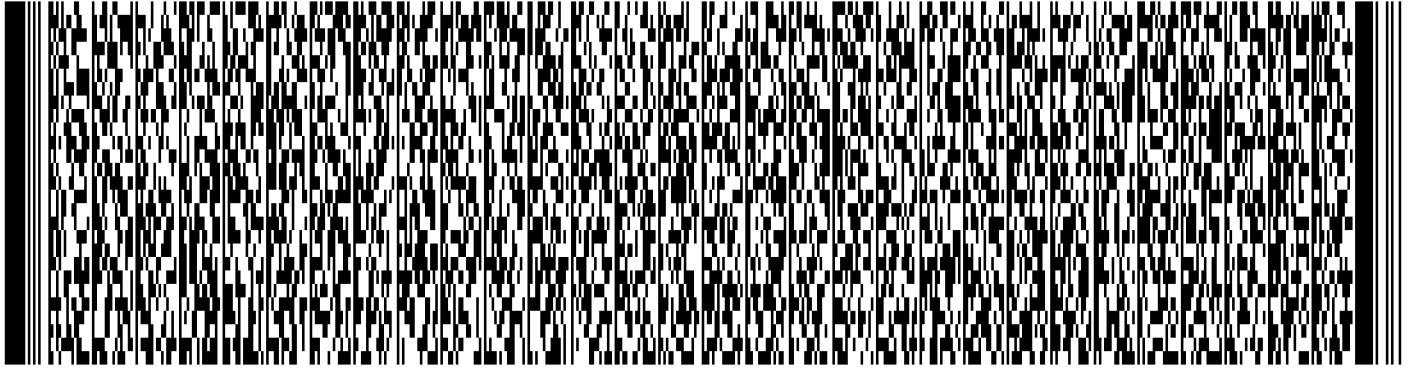
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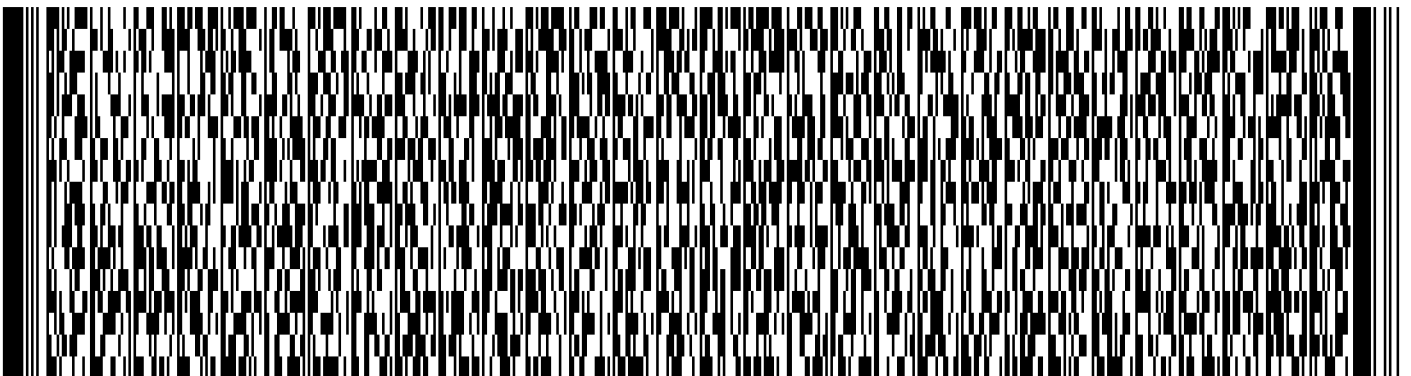


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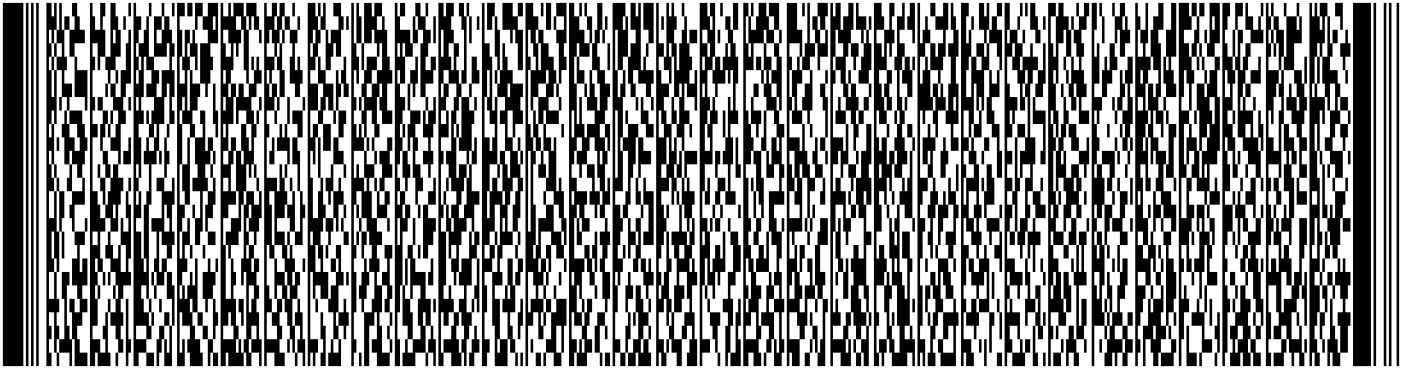
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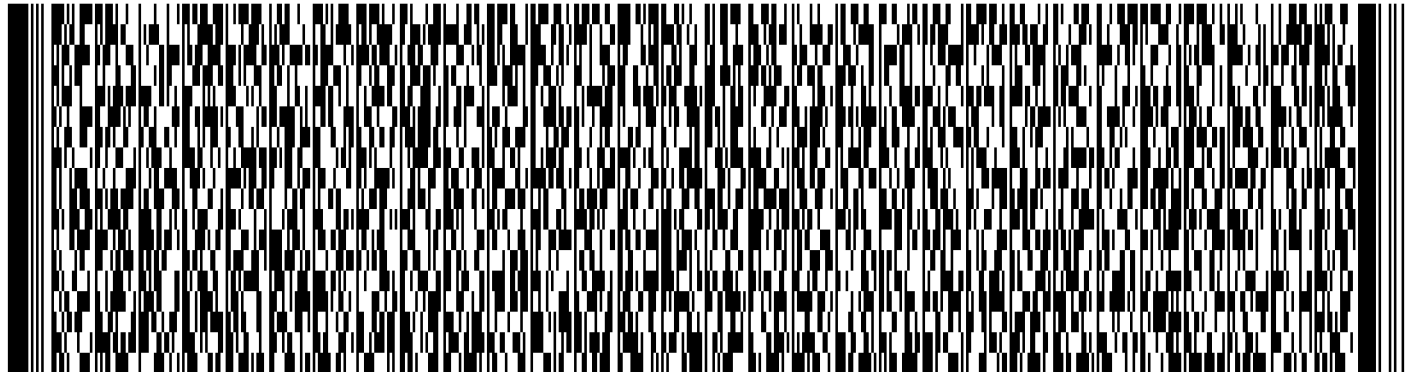
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